

Exhibit P

Exhibit 1

CONFIDENTIAL PURSUANT TO PROTECTIVE ORDER

1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK
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4 SECURITIES AND EXCHANGE)
COMMISSION,)
5)
Plaintiff,)
6) 19 Civ. 9439 (PKC)
- against -)
7)
TELEGRAM GROUP INC. and)
8 TON ISSUER INC.,)
9 Defendants.)
_____)
10

11 **CONFIDENTIAL PURSUANT TO PROTECTIVE ORDER**
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13 Videotaped deposition of PAVEL DUROV (as
14 30(b)(6) corporate representative of Defendants and
15 also in his personal capacity), Volume 1, taken on
16 behalf of Plaintiff at Hadeef & Partners, LLC, Emaar
17 Square, Building 3, Level 5, Downtown Dubai, Dubai,
18 United Arab Emirates, beginning at 11:21 a.m. and
19 ending at 9:54 p.m., on Tuesday, January 7, 2020,
20 before LEAH WILLERSDORF, Member of the British
21 Institute of Verbatim Reporters, Accredited Verbatim
22 Reporter, Qualified Realtime Reporter - Level 2,
23 International Participating Member NCRA.
24

25 JOB No. 200107LWI

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16:54:35 1 MR. TENREIRO: I'll try to keep 15 minutes
16:54:36 2 in mind.

16:54:37 3 MR. DRYLEWSKI: Thank you.

16:54:38 4 MR. TENREIRO: Let's mark 46, please.

16:54:42 5 (Exhibit 46 marked for identification.)

16:54:45 6 MS. CHARMANI: Jorge, could you tell me
16:54:47 7 the Bates number, please?

16:54:49 8 MR. TENREIRO: Yeah, 15-17. It's the
16:54:52 9 sales agent services agreement with Pacific Spirit.

16:55:10 10 MS. CHARMANI: Thank you.

16:55:14 11 BY MR. TENREIRO:

16:55:14 12 Q. So, Mr. Durov, my question, with respect
16:55:16 13 to this document, is going to be if you recognize your
16:55:19 14 signature on the third page?

16:55:29 15 A. Yes.

16:55:29 16 Q. Okay. And is it fair to say that
16:55:33 17 Telegram -- at least one Telegram entity entered into
16:55:36 18 an agreement on or around January 15, 2018, with an
16:55:40 19 entity called Pacific Spirit Ltd.?

16:55:45 20 A. I think this is what this agreement says,
16:55:54 21 yes.

16:55:54 22 Q. Okay. I just want to get some context
16:55:56 23 from you. What was the purpose of this agreement?
16:55:59 24 I understand there's a clause there that says
16:56:03 25 "Purpose," but from your perspective what was the

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16:56:06 1 purpose of the agreement?

16:56:07 2 MR. DRYLEWSKI: Objection to form.

16:56:08 3 Just to clarify, his personal?

16:56:11 4 MR. TENREIRO: No, Telegram's.

16:56:13 5 MR. DRYLEWSKI: Thank you.

16:56:13 6 MR. TENREIRO: Telegram's.

16:57:19 7 THE WITNESS: I think at that period of
16:57:21 8 time we discussed with Ilia potential terms of our
16:57:44 9 work together, including, of course, the rights and
16:58:12 10 guarantees that he would enjoy as a person working
16:58:21 11 with me on the TON-related offering, and this
16:58:42 12 agreement represents a draft that was created in the
16:58:53 13 process of trying to find an appropriate way to
16:59:03 14 achieve this goal; however, this was an early version
16:59:25 15 of our potential -- of the terms of our potential
16:59:43 16 collaboration.

16:59:47 17 It was never acted upon and was discarded,
16:59:58 18 replaced by, I think, another document.

17:00:04 19 BY MR. TENREIRO:

17:00:05 20 Q. Okay. So Pacific Spirit, do you know what
17:00:15 21 that is? Pacific Spirit Limited?

17:00:22 22 A. I understand it is an offshore entity
17:00:26 23 based in Seychelles and my understanding at the time
17:00:30 24 was that it was a vehicle used by Ilia to make sure he
17:00:54 25 could structure the terms of our work together in a

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18:30:48 1 MR. DRYLEWSKI: Objection to form.

18:30:57 2 THE WITNESS: The nature of this
18:31:09 3 arrangement related to finders' fees implied that the
18:31:27 4 other party would introduce us to potential purchaser.
18:31:50 5 We never authorized any third party to use any
18:32:02 6 marketing materials or promotional materials for the
18:32:07 7 purposes of this activity.

18:32:15 8 BY MR. TENREIRO:

18:32:16 9 Q. Okay. But -- so were you aware of ATON's
18:32:19 10 marketing materials?

18:32:21 11 MR. DRYLEWSKI: Objection to form.

18:32:32 12 THE WITNESS: I think it's important to
18:32:33 13 clarify, as I mentioned before, that there are
18:32:37 14 different legal entities that starts with "ATON" and
18:32:44 15 we can easily get confused here.

18:32:47 16 To answer your question, I think I have
18:32:55 17 reviewed a document that is related to what you are
18:33:00 18 describing in preparation for this deposition.

18:33:05 19 MR. TENREIRO: Let's mark --

18:33:06 20 MR. DRYLEWSKI: To clarify, is your
18:33:08 21 question whether he, meaning Telegram --

18:33:09 22 MR. TENREIRO: Telegram.

18:33:10 23 MR. DRYLEWSKI: -- was aware at the
18:33:11 24 time --

18:33:11 25 MR. TENREIRO: At any time.

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19:45:30 1 Group Limited.

19:45:31 2 Q. Right, so -- which is also listed as a
19:45:34 3 beneficial owner in this form that we are looking at
19:45:37 4 of Disruptive Era?

19:45:54 5 A. Yes, I think it's not unimaginable that
19:45:58 6 certain legal entities can share beneficiaries.

19:46:03 7 Q. Sure. My question is, in Exhibit 43
19:46:15 8 we see that Telegram had already entered into a
19:46:17 9 purchase agreement with Disruptive Era in March of
19:46:21 10 2016, which is before the finder's fee agreement with
19:46:27 11 Da Vinci Capital in June. So why is Da Vinci Capital
19:46:31 12 billing Telegram, then, in September and November for
19:46:37 13 finding a fund that Telegram already had a
19:46:40 14 relationship with? That's what I don't understand.

19:46:44 15 MR. DRYLEWSKI: I'm going to object.
19:46:46 16 Object to the scope.

19:47:35 17 THE WITNESS: As you can see from this
19:47:37 18 document, Oleg Jelezko is not the sole beneficiary of
19:47:56 19 Disruptive Era Fund SP, and I guess that Oleg was
19:48:41 20 helpful in having other beneficiaries of that fund
19:48:59 21 enter into additional purchase agreements later in
19:49:10 22 2018, for which he, as a manager representing Da Vinci
19:49:25 23 Capital Group Limited, was entitled to a fee in
19:49:30 24 accordance to the finder's fee agreement.

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19:56:14 1 October 2018.

19:56:23 2 A. Yes.

19:56:23 3 Q. Do you see that?

19:56:24 4 A. I see that.

19:56:25 5 Q. Okay. These three documents together, can
19:56:26 6 you explain to me, as a corporate representative of
19:56:29 7 Telegram, what's happening here when, in February,
19:56:34 8 Space Limited has entered into a purchase agreement,
19:56:37 9 signed by Marie Elia, and then in June you enter into
19:56:41 10 a finder's fee agreement with Gem Limited signed by
19:56:45 11 the same person, who then bills you in October for
19:56:48 12 a finder's fee agreement for an entity, Space
19:56:51 13 Investments, that Telegram already had a relationship
19:56:54 14 with?

19:57:02 15 A. Yes. First of all, I think it's worth
19:57:06 16 noting that in the small financial world in Russia,
19:57:24 17 it is not unimaginable for the same director to work
19:57:33 18 at different legal entities, so I am not surprised by
19:57:40 19 the fact that we have the same person signing
19:57:51 20 different agreements.

19:57:59 21 Second, as I mentioned earlier when we
19:58:08 22 were discussing the question related to Disruptive Era
19:58:21 23 Fund, those legal entities investing in Telegram may
19:59:00 24 have multiple beneficiaries, some of which could
19:59:19 25 have been hesitant to increase their interest in

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19:59:35 1 Grams, and even though this investor participated in
20:00:09 2 the private investment -- sorry, placement prior to
20:00:22 3 summer 2018, additional efforts may have been required
20:00:48 4 to reintroduce those beneficiaries to the offering,
20:01:03 5 to make them aware that there was still an opportunity
20:01:11 6 to invest due to the fact that certain purchasers
20:01:15 7 failed to meet their contractual obligations. And we
20:01:27 8 thought it was fair, and in the spirit of the finder's
20:01:31 9 fee agreement, to reward those efforts.

20:01:36 10 Q. And what sort of policies or checks did
20:01:39 11 Telegram have in place to make sure that further
20:01:43 12 efforts had in fact been required before paying these
20:01:46 13 finders' fees?

20:01:47 14 MR. DRYLEWSKI: Before? I'm sorry,
20:01:48 15 I missed it.

20:01:49 16 BY MR. TENREIRO:

20:01:49 17 Q. Before paying these finders' fees, with
20:01:52 18 respect to entities that already had a relationship
20:01:54 19 with Telegram?

20:01:55 20 A. As you can see, looking at the dates when
20:02:24 21 those events were taking place, we had waited
20:02:52 22 a substantial amount of time to allow the potential
20:03:06 23 purchasers to -- that have entered into the purchase
20:03:11 24 agreements, to transfer funds and also to allow the
20:03:15 25 existing investors to increase their interest in Grams

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15:10:13 1 BY MR. TENREIRO:

15:10:14 2 Q. Okay. Now, in order for the vision of TON
15:10:17 3 and Grams that Telegram has, is it necessary for Grams
15:10:21 4 to trade on exchange of digital-asset platforms such
15:10:31 5 as Coinbase?

15:10:32 6 MR. DRYLEWSKI: Objection; scope, and
15:10:39 7 form.

15:11:04 8 THE WITNESS: The vision for Grams is that
15:11:06 9 of a mass-market, multipurpose currency used by a big
15:11:23 10 number of consumers. This currency would be not
15:11:36 11 unlike other popular cryptocurrencies and digital
15:11:51 12 currencies, and in that sense, for consumers to be
15:12:07 13 able to transact in Grams freely and use Grams as
15:12:13 14 a means of exchanging value, there would need to be
15:12:23 15 certain services or platforms that would allow
15:12:36 16 consumers to obtain Grams from the market; so it was
15:12:57 17 our expectation that just like currencies such as
15:13:05 18 Bitcoin and Ethereum are listed and traded on
15:13:23 19 exchanges such as Coinbase and similar services, Grams
15:13:49 20 would be likewise convertible to other currencies,
15:13:59 21 as we believe it is a fundamental characteristic of
15:14:08 22 currency to be exchangeable.

15:14:13 23 It must also be noted that from a purely
15:14:23 24 theoretical perspective, there could be other ways for
15:14:35 25 consumers to exchange one currency into the other

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16:38:30 1 BY MR. TENREIRO:

16:38:31 2 Q. Did Telegram issue any sort of public
16:38:33 3 statement about what was happening with the Liquid
16:38:37 4 exchange?

16:38:38 5 MR. DRYLEWSKI: Objection; scope.

16:38:56 6 THE WITNESS: On a few occasions
16:39:03 7 we published statements that would inform the public
16:39:08 8 that there had been a lot of fraudulent activity
16:39:22 9 in relation to Grams and we warned our users and
16:39:42 10 the public at large that all sales in ICOs involving
16:40:03 11 Grams were fraudulent and not real in any case.
16:40:28 12 By this, I mean public sales in ICOs. And users
16:40:35 13 should be looking at our official website,
16:40:44 14 telegram.org, if they were seeking a confirmation that
16:40:59 15 a certain sale indeed was related to Telegram.

16:41:14 16 And without such an official announcement
16:41:17 17 from Telegram posted on its website, no report related
16:41:35 18 to public sale of Grams should be trusted. I believe
16:41:46 19 that such announcements were helpful to warn the
16:42:01 20 public from participating in activities such as the
16:42:17 21 one conducted by the Liquid exchange.

16:42:31 22 In addition, in this specific case
16:42:55 23 we were, in a certain way, grateful for the press
16:43:09 24 to point out that a Liquid sale was not official and,
16:43:31 25 based on that, I don't believe we published any

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16:43:43 1 additional announcement that would specifically relate
16:43:49 2 to Liquid as similar topics have been addressed before
16:44:05 3 in our public announcements, and this specific
16:44:16 4 incident was addressed in some of the media reports.

16:44:24 5 (Exhibit 77 marked for identification.)

16:44:28 6 MR. TENREIRO: Can we take a look at
16:44:30 7 Exhibit 77, please. 007-73455.

16:45:13 8 BY MR. TENREIRO:

16:45:13 9 Q. Mr. Durov, the question is, is this one
16:45:17 10 of the emails where someone reached out to Telegram
16:45:24 11 to inquire about potential resales for Grams?

16:45:39 12 MR. DRYLEWSKI: Objection; scope.

16:45:50 13 THE WITNESS: I'm not sure what this email
16:45:57 14 is about. It is confusing that it uses terms such as
16:46:09 15 "IEO."

16:46:16 16 BY MR. TENREIRO:

16:46:17 17 Q. Is that "initial exchange offering,"
16:46:20 18 as far as you understand how that term is used in the
16:46:23 19 digital-asset world?

16:46:25 20 A. My understanding of this term is that
16:46:29 21 "IEO" is the offering that is relevant for tokens of
16:46:42 22 an exchange. I don't see how this term could be
16:46:53 23 applicable for TON because TON does not represent
16:47:04 24 an exchange; rather, it is a blockchain network
16:47:10 25 similar to Bitcoin and Ethereum, but more efficient.